

AFFIDAVIT IN SUPPORT OF APPLICATION FOR ARREST WARRANT

I, Andrew Sekela, Special Agent, Federal Bureau of Investigation (FBI), being duly sworn, depose and state as follows:

A. Introduction

1. As a Federal Agent, I am authorized to investigate violations of the laws of the United States of America and I am a law enforcement officer with authority to execute arrest and search warrants issued under the authority of the United States of America.

2. Your Affiant has been a Special Agent (SA) with the FBI, Washington Field Office, for approximately five years, and been assigned the responsibility for conducting white collar crime investigations since July 2004. White collar crimes are considered by the FBI to be those illegal acts characterized by fraud, concealment, or a violation of trust and which are not dependent upon the application or threat of physical force or violence. I have received formal and informal training regarding the conduct of white collar crime investigations. Since 2004, I have been assigned as case agent on numerous white collar crime investigations involving violations of Federal law which include, but are not limited to, public corruption, government fraud, antitrust violations, bribery, and conspiracy.

3. The information set forth in this affidavit is known to your Affiant as a result of investigation personally conducted by him and/or by others and related to him.

4. The statements contained in this Affidavit are based in part on information provided by Special Agents (SA's) and other employees of the FBI; SA's from the DC Office of the Inspector General (OIG); and Criminal Investigators responsible for Internal Security matters from the DC Office of the Chief Financial Officer (OCFO), Office of Integrity & Oversight (OIO). Statements are also based in part on review of records and documents gathered during the course of the investigation, interviews, consensually recorded conversations, surveillance, and on my experience and background as a Special Agent of the FBI.

5. Because this affidavit is being submitted for the limited purpose of establishing probable cause to obtain search and arrest warrants, I have not set forth each and every fact learned during the course of the investigation. In addition, where conversations or statements are related herein, they are related in substance and in part except where otherwise indicated.

B. Request for Arrest Warrant

6. This affidavit is respectfully submitted in support of applications for the issuance of arrest warrant for the following person:

YUSUF ERKAN ACAR, date of birth: xxxxxxxx, 1968; Social Security Account Number xxx-xx-5869;

7. The facts and circumstances set forth in this affidavit demonstrate that there is probable cause to believe that YUSUF ACAR has committed violations of Title 18, United States Code (U.S.C.), Sections 201, 371 (Conspiracy to Commit Bribery), Sections 1343 and 1346 (Honest Services Wire Fraud), Section 208 (Conflict of Interest), and Section 1956 (Conspiracy to Commit Money Laundering).

C. Overview of the Investigation

8. There is probable cause to believe that YUSUF ACAR, SUSHIL BANSAL, and others are involved in committing and in conspiring to commit the following offenses: bribery, honest services wire fraud, conflict of interest, money laundering and other offenses, which involve stealing money from the District of Columbia (DC) Government through a variety of schemes. Two of the schemes, more fully described below, are as follows: In one scheme, a quantity of goods is ordered by OCTO from a vendor such as Advanced Integrated Technologies Corporation (AITC). The vendor actually orders a lesser number of the item from the distributor, but bills the DC government for the full amount originally requested by OCTO. An OCTO official, such as YUSUF ACAR, falsely certifies that the greater quantity was actually received and the vendor bills the District of Columbia Government for the greater amount and is paid accordingly. The co-conspirators then split the proceeds of the crime. A second scheme involves billing for "ghost employees". These are contract employees supposedly hired by a vendor, such as AITC, to perform work under a specific contract for OCTO. However, these ghost employees never actually perform any work under the contract. The vendor, who is involved in the scheme, bills the DC government for the employees' hours. An OCTO official, such as YUSUF ACAR, approves the timesheet so that the vendor can be paid. The money is then split between the co-conspirators.

D. Background information

9. YUSUF ERKAN ACAR was born on XXXXXXXX XX, 1968 in Turkey and has Social Security Account Number XXX-XX-5869. ACAR, and his wife, G.A., live at XXXX XXXXX XXXXX XXXX NW, Washington, DC 20008-1005. ACAR is employed by OCTO as an IT Specialist (Security), and is a Government Service (GS) Grade 16 with an annual salary of about \$127,468. He is currently serving as the Acting Chief Security Officer. He has worked for the DC Government since December 2004. One of ACAR's duties is to purchase software and hardware for the District of Columbia's technology infrastructure. He is also responsible for securing the services of contract employees to fill various personnel needs across numerous DC government agencies. In a recorded conversation on December 10, 2008, YUSUF ACAR states in part, regarding the risk of getting caught, "I mean, I will jump on the next plane, go to Turkey and disappear. That's fine." YUSUF ACAR has also stated that he is trying to move approximately \$200,000 in cash out of the country to Turkey via diplomatic pouch.

On May 14, 2008, ACAR signed and filed a Confidential Statement of Employment and Financial Interests, on which he indicated that neither he nor any members of his immediate household had any connections or financial interests to any business enterprises. In addition, he indicated that he was not affiliated with any business entities that do business with the DC government. ACAR is associated with a company called CIRCLE NETWORKS, INC. (Circle), as set forth below. While Circle's last purchase order with OCTO was dated May 30, 2008, ACAR remains associated with Circle and he apparently is in control of a Circle bank account, as set forth below, that receives deposits from AITC, owned by co-conspirator SUSHIL BANSAL.

10. SUSHIL BANSAL was born on XXXXX XX, 1967 in India and has Social Security Account Number XXX-XX-7118. BANSAL and his wife, A.B., reside at XXXX XXXXXX XXXX XXXX, XXXX XXXXXX, VA 22027. BANSAL is a former DC government employee. BANSAL is the President and Chief Executive Officer of AITC. His wife, A.B., is listed on bank account documents as a Corporate VP of AITC. BANSAL is also an officer of Innovative IT Solutions, Inc. (IITS). In 2008 alone, AITC initiated international wire transfers from its Wachovia Bank account to a bank in India totaling over \$200,000. BANSAL's 2007 tax returns included a home address given as XXXX XXXXXX XXXX XXXX, XXXX XXXXXX, VA 22027. These documents were filed with the District of Columbia for a renewal application of AITC to be a Certified Business Enterprise (CBE). On February 25, 2009, a FBI surveillance team observed BANSAL in the vicinity of his house at approximately 5:12 PM driving a vehicle with Virginia license plate SARANGA. According to DMV records, this vehicle is currently registered to Sushil K. Bansal and [A.B.], XXXX XXXXXX XXXX XXXX, XXXX XXXXXX, VA 22027. On March 2, 2009 a FBI surveillance team observed BANSAL leaving his house at XXXX XXXXXX XXXX XXXX and, after two stops, arriving at the business address of AITC.

11. Advanced Integrated Technologies Corporation (AITC) -- AITC is a Certified Business Enterprise (CBE) in the District of Columbia according to the Department of Small and Local Business Development. AITC recently moved to office space at 1707 L Street NW, Suite 250 Washington, D.C. 20036. According to publicly available records of District of Columbia purchase orders, between March 2004 and February 6, 2009, AITC did over \$13 million in business with the DC government, primarily with OCTO. By way of information, AITC's website (www.aitc.net) lists the following office in India: AITC Consulting Pvt. Ltd., 219 Tower "A" The Corenthum, A-41 Sector 92, Noida UP 201301.

12. Innovative IT Solutions, Inc. (IITS) -- IITS is a Certified Business Enterprise (CBE) in the District of Columbia according to the Department of Small and Local Business Development. IITS recently moved to office space at 1707 L Street NW, Suite 260 Washington, D.C. 20036. Before moving to this new space, AITC and IITS were located in different suites on the same floor of a different office building in D.C. The sub-lease for IITS's office in the previous location was entered into by AITC. In addition, bank records show that AITC paid the rent for IITS at the previous location beginning in February 2007. According to publicly available records of District of

Columbia purchase orders, between July 2008 and November 2008, IITS did approximately \$220,000 in business with the DC government.

13. Circle Networks, Inc.

(a) According to publicly available records of purchase orders, between 2004 and 2008, Circle Networks, Inc. did approximately \$2.2 million in business with the DC government. Circle Networks, Inc. is a CBE. During this time period, 20 of the 21 purchase orders were for “Computer Software Consulting” or “Computer Hardware Consulting” for OCTO. For those purchase orders, Circle Networks’ address is listed as 4007 Connecticut Avenue, NW, Washington, DC.

(b) Circle Networks maintains bank accounts at Navy Federal Credit Union. The Small Business Services Savings Account Application, dated November 7, 2005, lists Circle Networks, Inc.’s address as 4007 Connecticut Avenue, NW, #100, Washington, DC 20008, and the most recent statement obtained from Navy FCU, through January 31, 2009, has the same address. The authorized signers for the account are listed as D.L. and Yusuf Erkan Acar, and they are listed as owner and co-owner, respectively, of Circle Networks. On a form entitled “Business Account Confirmation Document”, dated September 30, 2008 and apparently signed by D.L., the Primary Business Owner for Circle Networks is listed as “[D. L.]/Yusuf Acar”. In 2008, the following deposits, believed to be proceeds of the various criminal schemes described herein, were received into this account from “Advanced Integra”, according to the bank statements. “Advanced Integra” on the bank statements is believed to be a truncated version of “Advanced Integrated Technologies Corporation” or AITC, the company of co-conspirator SUSHIL BANSAL. Bank records from AITC confirm corresponding debits from its account.

1/30/08	\$20,000
3/6/08	\$15,200
4/2/08	\$14,000
5/7/08	\$17,000
6/11/08	\$14,702
7/7/08	\$12,254
8/5/08	\$15,192
9/8/08	\$15,868
10/2/08	\$32,288
11/4/08	\$19,652
12/3/08	\$24,024

From this same Circle Network account, a payment was made on July 11, 2008 for \$1,500.51 to CitiMortgage in the name of [G.A.] and

Yusuf Acar, XXXX XXXXX XXXXXX XX XX, Washington, DC 20011. Similarly, on October 8, 2008, a payment in the amount of \$3,036.21 was made to CitiMortgage in the name of [G.A.] and Yusuf Acar, XXXX XXXXX XXXXXXXX XX XX, Washington, DC 20011. On November 18, 2008, a check in the amount of \$1,000 was made to [G.A.], YUSUF ACAR's wife, drawn on this Circle Network, Inc. account and appears to have been deposited in G.A.'s Navy Federal Credit Union account. According to the Navy Federal Credit Union, an ATM card was issued to YUSUF ACAR bearing number XXXXXXXXXXXXXXXXXXXX. On October 20, 2008, an FBI agent surveilled YUSUF ACAR and observed him enter Eagle Bank located at 1725 I Street, NW, Washington, DC 20006. Bank surveillance photographs and bank records obtained from Eagle Bank show YUSUF ACAR withdrawing \$80.00 from the Circle Networks account using his ATM card. Navy Federal Credit Union records for Circle Networks confirm the \$80 withdrawal, along with a \$3.00 fee, at Eagle Bank on October 20, 2008.

- (c) Circle Networks also maintains a number of accounts at Sun Trust Bank. One such account, a business checking + interest account, up until September 30, 2008, was captioned "CIRCLE NETWORK OR [D.L.] [S.E.] YUSUF ACAR, 143 KENNEDY ST, NW STE 7, WASHINGTON DC 20011-5269. As of the October 31, 2008 statement for this account, the captioned was changed to "CIRCLE NETWORK OR [D.L.]" at the same Kennedy Street address. As of the statement for this account ending February 28, 2009, the address for Circle Networks is still listed as 143 Kennedy Street, Ste 7, Washington, DC 200011-5269.
- (d) On February 24, 2009, an official with the United States Postal Service confirmed that Circle Networks receives mail at the following addresses: 608 Oglethorpe St. NW, Washington, DC 20011; 4007 Connecticut Avenue NW, Washington, DC 20008. On February 26, 2009, an official with the United States Postal Service confirmed that Circle Networks receives mail at the following address: 143 Kennedy St. NW, Washington, DC 20011.

14. D.L., as noted above, is an owner/officer of Circle Networks, a company that is also associated with YUSUF ACAR, and appears to be involved in laundering the proceeds of the criminal schemes set forth herein. According to information D.L. provided to Sun Trust bank and to Navy Federal Credit union for the Circle Network accounts, as well as for a personal account at Sun Trust, he resides at XXX XXXXXXXXXXXX XX., XX, Washington, DC 20011. The Articles of Incorporation for Circle Networks provided to Navy FCU, dated April 29, 2000, list D.L. as the sole member of the board, the incorporator, and the registered agent, all listing the XXX XXXXXXXXXXXX XXXXXXXX address. According to representations from the U.S.

Postal Service, Circle Networks currently receives mail at that address.

15. ALLNET Systems, Inc. (ALLNET) and S.E. -- S.E. is currently employed by the District of Columbia Office of the Chief Technology Officer and has been so employed since June 12, 2006. According to records obtained from the Bank of America, ALLNET opened a business economy checking account on or about September 29, 2005. On the corporate signature card, S.E. is listed as the President of ALLNET. As part of the ongoing criminal conspiracy, ACAR has been attempting to have a company he can control certified by the Department of Small and Local Business Development to do business with the District of Columbia which would require, among other things, the company to have an address in the District of Columbia. On or about January 16, 2008, ALLNET Systems, Inc. opened an account at Wachovia Bank. On a signature card for this account, dated January 16, 2008, A.S. is listed as the CEO, and the address for ALLNET is listed as 1701 Pennsylvania Avenue NW. The Cooperating Witness (CW) has been present for conversations in which ACAR has discussed with S.E. a plan to have ALLNET certified to further their criminal scheme and, on October 18, 2008, ALLNET submitted an on-line application to the Department of Small and Local Business Development listing the address as 1306 9th Street NW, Washington, DC, 20001. The two most recent statements I have reviewed for the Allnet account at Wachovia, ending October 31, 2008 and November 28, 2008, list 1306 9th Street, NW, Washington DC 200014208 as the address for Allnet. I have reviewed a letter dated November 8, 2008, which bears the signature of Z.F., the registered owner of the property at 1306 9th Street NW. The letter indicates that Z.F. is sharing space at this address with Allnet. On March 5, 2009, an investigator with the D.C. Office of the Inspector General contacted Z.F. Z.F. confirmed that Allnet had property, including computers, at 1306 9th Street NW.

16. Network Osiris and F.A. -- F.A. is currently an employee of the District of Columbia Office of the Chief Financial Officer (OCFO). According to bank records F.A. and his wife, S.A., are Officers for Network Osiris. F.A. worked at OCTO as a contractor beginning in December 2002, and became a full-time government employee at OCTO in or about April 2006. F.A. assumed his current position at OCFO in January 2007. YUSUF ACAR told the CW that ACAR and F.A. used to work together on the procurement of equipment and software licenses, including procurements that involved criminal activity like the schemes in which ACAR and CW are involved (e.g., receiving a lower quantity of items than were actually paid for). ACAR and F.A. generally divided their territory and kept their activities separate, that is, ACAR dealt with contractors, and F.A. dealt with equipment. However, there were times when they worked together to steal money. CW heard that F.A.'s wife had been used as part of a "ghost employee" scheme. Bank records show that F.A. and S.A. both received payments from AITC via direct deposit into an account in the name of Network Osiris from October 2005 to April 2007. Initially the direct deposits from AITC to Network Osiris were sent with F.A.'s name and in August 2006, shortly after F.A. became a government employee, they began to be sent in S.A.'s name. In 2006, Network Osiris issued fifteen (15) checks to G.A., wife of YUSUF ACAR, totaling \$43,755.00. The memo line read "IT Consulting Services." All checks to G.A. were drawn by F.A. Four checks were issued to S.A. from October 2005 to April 2006 totaling \$55,000.00. The memo line read "IT Consulting

Services.”

According to the Virginia State Corporation Commission (VSCC), Network Osiris was incorporated in October 2000. S.A. is listed as the CEO and President. Incorporation documents filed with the VSCC list the address for Network Osiris as XXXXX XXXX XXXXXXXX XX, XXXXX XXXXXXXX, VA 20152. As of November 3, 2008, Network Osiris’s charter is still valid, although the company is delinquent on its charter fee.

Network Osiris maintained a bank account at Greater Atlantic Bank between August 28, 2002 and July 9, 2008 when the account was closed. The signature card for the account shows S.A. and F.A. as authorized signers for the account. The address for Network Osiris is listed as XXXXX XXXX XXXXXXXX XX, XXXXX XXXXXXXX, VA 20152-3628. The last statement for this account, from July 31, 2008, lists the same address.

17. T.S. has been an employee of OCTO since on or about September 17, 2007. Prior to that, T.S. worked at OCFO from approximately August 1998 to February or March 2000. She then worked at OCTO from approximately February or March 2000 until December 2004. She later worked as a contractor with a private company from approximately February 2005 until September 2007, at which time she became a full-time employee at OCTO. Among other responsibilities, T.S. processes invoices from contractors and vendors for payment. T.S. is believed to process invoices that are part of this criminal conspiracy, knowing that they are false. In a telephone conversation on December 10, 2008, recorded by the CW [all of the telephone conversations set forth herein were recorded pursuant to the consent of the CW], ACAR and the CW discuss T.S. Excerpts of that conversation are set forth below:

ACAR: Look, look, [T] [referring to T.S.], Another thing I’m going to tell you. [T] [referring to T.S.] - uh, what is AITC, Sushil?

CW: Ah-huh.

ACAR: Basically take, take cares of her.

CW: Exactly.

ACAR: She, I mean, last time she pays her like three thousand dollars out of the pocket.

CW: His pocket, yeah.

ACAR: That’s fine, that’s cool....

18. W.M. has been an employee of OCTO since on or about February 2008. W.M. is an IT Specialist (Security), and is a Government Service (GS) Grade 15 with an

annual salary of about \$101,000. In this position, he is in charge of Security Systems and Engineering. He is actively involved in the selection and purchase of technology equipment for OCTO and the agencies it supports. He reports to the Information Security Officer (ISO), making recommendations on both vendor selection and equipment purchases. W.M. therefore reports to ACAR who is the Acting ISO. CW has observed equipment on site at OCTO that appears to have been ordered with W.M.'s knowledge before a Purchase Order requisition was issued. ACAR told CW that he has purchased goods, such as used or refurbished goods, for OCTO from non approved sources such as the internet. ACAR has intimated that W.M. is involved and aware of these purchases.

19. The Cooperating Witness (CW) -- The CW is also an employee of OCTO. In April 2008, CW reported to the FBI that ACAR had approached him about joining in the criminal activity taking place at OCTO. CW agreed to actively work with the FBI as a cooperating witness. CW does not have an arrest record and does not have a pending criminal case. He served approximately eight years in the United States Army and was honorably discharged. He holds a Master's Degree in Electrical Engineering. He works closely with YUSUF ACAR as part of his legitimate duties at OCTO and, in his role as a seeming coconspirator, has gained the trust of and has come to work closely with both YUSUF ACAR and SUSHIL BANSAL in their criminal schemes. The information provided by the CW during the course of this investigation has always proven to be reliable.

E. THE LEGITIMATE CONTRACTING PROCESS

20. The District of Columbia (DC) Government routinely issues purchase orders to vendors for a wide variety of goods and services. When a DC government agency identifies a need for a particular good or service, a responsible person within that agency follows a certain contracting procedure to satisfy that need. The District of Columbia has a policy for contracts and procurement that applies not only to contracting of individuals to perform work, but also contracts with vendors to obtain goods. At OCTO, YUSUF ACAR is in a position to oversee both types of contracting. The process is similar for both types of contracts.

21. OCTO employees identify a need for work to be completed or goods to be purchased. The first step is to submit a request to the Office of Contracting and Procurement (OCP). This is a Requisition for a Purchase Order (PO) Number. PO's are specific to each contract. Once the PO is received granting approval to proceed, vendors may submit proposals to complete the work. A vendor is then selected by the agency and assigned that PO. If the contract is for goods, the vendor will order the specified amount and bill the DC Government using the corresponding PO. If the contract is for services, the vendor will hire individual(s) and bill the DC Government for the hours worked according to the agreed upon contract. To track the contract, these PO's are entered into the Procurement Automated Support System (PASS). As invoices are submitted by the vendor for payment, the number of hours and the remaining dollar amount of the PO are reduced accordingly.

F. THE CONTRACTING PROCESS IN THIS CONSPIRACY

22. I have learned during the course of this investigation that, in the acquisition of goods, ACAR approves both operational and compliance purchases. ACAR also selects the vendor. ACAR has been known to work with the vendor before the PO is submitted. As further described below, ACAR and the vendor will agree that the PO will be submitted for one quantity of goods, and in actuality a lesser quantity will be ordered and delivered. The vendor is then paid according to the original PO because ACAR approves the final invoice, falsely certifying in violation of his official duty, in exchange for a payment, that OCTO received the agreed upon, greater, quantity of goods.

23. In a similar fashion, ACAR is able to manipulate Purchase Orders for contract employees. A scope of work is created with the estimated number of hours necessary to complete the project. The project is assigned an hourly rate or budget. ACAR is then the individual that approves the timesheets for the contractor. In some instances ACAR will inflate the hours of a real contract employee that actually performs work for OCTO. In other instances, ACAR hires "ghost employees" through a vendor. These "ghost employees" are individuals that do not actually work any hours, but ACAR nonetheless approves a timesheet for the "ghost employee", falsely certifying in violation of his official duties, and in exchange for a payment, that the hours were worked. The scheme continues until the hours or budgeted amount are depleted for the PO or the end date has been reached, unless there is a renewal.

24. ACAR brought the CW into this conspiracy and, in his role as a seeming co-conspirator, CW also has received payments in these schemes. For purchase orders for goods and for services as described above, ACAR and the CW receive a share of the proceeds as a bribe payment from the vendor for awarding the contract and falsely certifying that the correct quantity of goods were received or the hours were worked. CW's share is either deposited in an account controlled by the FBI, as set forth below, or, in the case of cash, CW turns the cash over to the FBI.

G. THE CRIMINAL CONSPIRACY

25. In or about March 2008, YUSUF ACAR and the CW met for a drink outside of the office on a Friday and YUSUF ACAR suggested to CW a way they could get some of the money that is paid to vendors. YUSUF ACAR told the CW that if he and the CW awarded contracts to a certain company, they would get money in return. At the time of this meeting, the CW thought that YUSUF ACAR had identified the company as AITI or AITE; he later learned that the company was AITC. CW had a number of subsequent meetings with YUSUF ACAR, some of which were also attended by S.E., who is also an OCTO employee and owner of Allnet Systems, Inc., in which they discussed various ways to defraud the DC Government. Among other things, they discussed receiving kickbacks from vendors for service contracts, a scheme involving ordering goods where the vendor would bill the DC Government for a greater number of units than was actually

purchased, and having a company associated with S.E. certified as a Certified Business Enterprise (CBE) so that they could award contracts to S.E.'s company and defraud the government. They also discussed purchasing an existing CBE to further their criminal scheme.

26. Over the next several months, ACAR and the CW had numerous conversations in which they discussed illegal activity and schemes related to their positions in the DC government. For example, in May 2008, ACAR suggested that he, the CW, and an employee could split a \$120 per hour contract three ways. They would pay the employee \$40 per hour, and split the remaining \$80 between themselves. In May 2008, ACAR described to CW a scheme where a vendor would invoice the DC government for a certain number of units, but only order and provide a lesser number. ACAR would split the profit of the scheme with the vendor. In June 2008, ACAR talked about a scheme to issue a purchase order for \$300,000 worth of goods. Instead of ordering the goods new, ACAR suggested they purchase similar goods on-line for approximately \$100,000. In July 2008, ACAR told the CW that a contractor started working for OCTO through a contract with IITS. ACAR told the CW that they would each receive money as part of this contract. In August 2008, ACAR proposed a scheme in which he and the CW would hire an individual under a contract. The employee would only work 10 hours a week, but would be paid for 40 hours per week. ACAR told the CW that they would split the money from the 30 hours per week that the contractor was paid.

27. In addition to the conversations between ACAR and the CW mentioned above, the two also had numerous meetings with other co-conspirators. Some of these meetings are summarized briefly as follows:

(a) On May 27, 2008, ACAR, S.E. and CW met at Capitol Grill restaurant in Washington, DC. The three discussed awarding the first contract to Innovative IT Solutions, Inc. (IITS). It is anticipated that ACAR and CW will received \$15.00 an hour each in kickbacks from this contract. They also discussed ACAR's desire to purchase an existing Certified Business Enterprise (CBE) with the intention of awarding contracts to his own CBE in the future to increase the profit margin.

(b) On May 30, 2008 ACAR, S.E. and CW met at a restaurant to discuss their kickback schemes. CW was made aware that kickbacks can also be received from vendors on equipment purchases. One quantity would be specified on the purchase order, when in actuality a lesser quantity would be shipped and received.

(c) On June 24, 2008, ACAR, S.E. and CW met at the Hyatt Regency located at 400 New Jersey Avenue. NW, Washington, DC, to discuss the purchase of a CBE, how funds will be paid out from the schemes and how to certify a company as a CBE for one that S.E. is associated with.

(d) On October 20, 2008, ACAR, SUSHIL BANSAL and the CW met for the first time outside of OCTO. ACAR and CW left the office together and drove in ACAR's rental vehicle to meet with BANSAL at The Bottom Line restaurant located at 1716 I Street NW, Washington, DC 20006. The purpose of this meeting was for the three individuals to discuss how they would proceed with the schemes going forward. On the drive over CW and ACAR discussed how they were going to approach the conversation with BANSAL. CW was going to let ACAR take the lead. ACAR had never before told BANSAL specifically how much money he wants on each purchase order. ACAR brought CW with him to the meeting to help keep the conversation direct. The three discussed how BANSAL will continue to bill the HIPPA project, referred to in this affidavit as Ghost Employee Scheme #1. BANSAL tells ACAR and CW to provide account numbers for family members so he can deposit the proceeds of the scheme. BANSAL says he has to show the IRS the money therefore it is important that his business has an expense for the money he receives from the DC Government. BANSAL encourages them not to leave a paper trail regarding the transfers. BANSAL says it is better for a company to receive the transfer if there is one you can trust. He does not need to know the details, just that the company is legal. The three agree on how the proceeds from the schemes will be divided among them going forward. ACAR and CW leave together and are pleased with how the meeting went.

(e) On November 7, 2008 BANSAL met with CW in his/her office to obtain bank account information for CW. They also discussed the number of hours left on the purchase order for Ghost Employee Scheme #1.

(f) On December 18, 2008 ACAR, BANSAL and CW met at the Bottom Line restaurant. The location was too noisy and crowded so they changed locations to a restaurant nearby. During the meeting over dinner, ACAR expressed concern about how he would be paid the money from the McAfee scheme and other schemes. ACAR was inclined to be paid in cash instead of checks or wire transfers. BANSAL presented options by which ACAR and the CW could be paid in cash.

(g) On December 31, 2008 ACAR, BANSAL and CW met to discuss how to split the money from the McAfee software purchase scheme and the billing of the DC government for ghost employees.

GHOST EMPLOYEE SCHEME #1

28. E.S. was hired as a contractor for OCTO through AITC in approximately January 2007 to fulfill purchase order number 248102. The project name was HIPAA IT Security. E.S. left OCTO in October 2008. However, there was still money and hours

left in Purchase Order 248102 when E.S. left. Even though E.S. no longer performed work pursuant to the purchase order, AITC continued to bill the DC Government for hours E.S. supposedly worked, submitting time sheets approved by ACAR for hours E.S. did not actually work. After a number of pay periods ACAR and BANSAL concocted a scheme to use “ghost employees” to replace E.S. Contractors hired under this purchase order would have worked at OCTO, and would have reported to the CW in the performance of their duties. The “ghost employees” were Frank Jackson and Vikrant Kothari. The CW does not know Frank Jackson or Vikrant Kothari. The CW did not see any individuals perform work under this purchase order after E.S. left OCTO. Notwithstanding that the ghost employees did not perform any actual work, AITC continued to bill and was paid by the DC government until the contact was depleted. Knowing that Frank Jackson and Vikrant Kothari were not real contract employees and that they did not perform any work and were not entitled to any compensation, ACAR approved falsified time sheets for Frank Jackson and Vikrant Kothari, in violation of his official duty, under PO 248102. AITC then submitted invoices to the DC Government using these fraudulent time sheets as supporting documentation for hours worked. By submitting false timesheets for two individuals, ACAR and BANSAL were able to deplete the remaining funds in PO 248102 at a faster rate.

29. The CW was brought into this scheme by YUSUF ACAR and received a share of the proceeds. Some of the schemes ACAR planned to undertake involved work and contractors in the CW’s area of responsibility. In order to have a successful ghost employee scheme with workers under CW’s control, the CW would have to be a part of the conspiracy. To allow the CW to receive payment for his role in this and other schemes, ACAR directed CW to establish a business bank account (CW’s account). The FBI created an account at Sun Trust Bank for CW to use for this purpose in the name of JAM Consulting, which is a fictitious company created by the FBI. The FBI controls this bank account. CW provided the account number and wire transfer instructions to ACAR and BANSAL.

30. On November 14, 2008, a deposit of \$4,800.00 was made into the CW’s account via electronic/ACH credit. The source of the deposit was listed as "Advanced Integra AA". The full name of the depositor is Advanced Integrated Technologies Corporation. The ending balance of the account was \$4,764.64, after \$35.36 was taken out of the account to pay for checks. Records from Wachovia Bank for the AITC account show that on November 14, 2008 an Automated Debit transaction in the amount of \$4800.00 took place with the notation “MISC SETTLE WC-OFFSET JAM CONSULTING”. As noted above, JAM Consulting is the name of the fictitious company created by the FBI and used by the CW at the FBI’s direction in this case to receive his portion of the bribery payments for his role as a co-conspirator. JAM consulting is not a real company; no work was done by JAM Consulting or by anyone working for JAM Consulting. BANSAL and YUSUF ACAR knew that JAM Consulting was not entitled to this money. This payment was made as part of the bribery conspiracy scheme.

31. On December 3, 2008, a deposit of \$8,160.00 was made into the CW’s

account via electronic/ACH credit. The source of the deposit was listed as "Advanced Integra AA". The full name of the depositor is Advanced Integrated Technologies Corporation. The ending balance of the account after the deposit was \$12,924.64. This payment was also made as part of the bribery conspiracy scheme.

32. On December 10, 2008, YUSUF ACAR had a wide-ranging conversation with the CW over the telephone which was recorded. The subject of "Eric's deal" [referring to E.S.] was raised by ACAR, and ACAR expressed the view that BANSAL should not get as big of a share of the proceeds of this crime as BANSAL was not taking as much risk as ACAR was. YUSUF ACAR also instructed the CW that CW would need to "defend" the requisition for "Eric's position" that ACAR had created and given to T.S., which was part of the "ghost employee" scheme. Excerpts of that conversation are set forth below:

ACAR: Nothing. Eric's deal, okay? I was clear about that. I said I want fifty. You should, you should get fifty. And then whatever left behind, you should, he should get it.

CW: Exactly.

ACAR: It's hundred thirty dollar PO, hundred twenty dollar PO, he should get twenty. That's more than enough. More than [expletive] enough. We are- The risk is not equal, I'm sorry. The risk is not equal.

CW: Yusuf (UI) is not equal. I mean, you know what can happen if God, God forbid, you know, if today things, uh, things uh crash.

ACAR: Yeah.

CW: You don't even have a couple hundred dollars that you can, for your family, to survive.

ACAR: No, nothing. I mean, I will jump on the next plane, go to Turkey and disappear. That's fine.

CW: And you don't have nothing!

ACAR: Yeah. Exactly.

CW: (UI) you going to run away with what, a couple hundred? What are you going to run with?

ACAR: Yeah.

CW: I mean, Yusuf, I'm telling you we need to talk to this guy.

ACAR: Look, I mean, look.

CW: We need to talk to him.

ACAR: [CW], this is beginning, okay? This is just like uh a scratch on the surface. We have a six million dollars. Six million mother [expletive] dollars. You and I should make at least three of that.

CW: And, and, and then we have only four months to do this.

* * * * *

ACAR: Because look, for Eric's deal, I clearly told him I want fifty dollars, but he went out and he did anyway, he did a equal share.

CW: Is that what he did?

ACAR: Yeah, he, he give you forty, he got forty and then he, he give you forty.

CW: (UI)

ACAR: I said clearly, I mean, I know ten dollars is not big deal. But it's the principle.

CW: UI (talking at the same time)

ACAR: I said I, I, I have the risk. I want fifty dollars. I don't care.

CW: Why don't we, why don't we, why don't we meet him? Can we meet him this weekend?

* * * * *

ACAR: I mean, he desperate. He wants to make money.

CW: Exactly.

ACAR: So, I mean he wants halvesies. Like, for example, you know what he told me? For, for [expletive] [Company 1], right?

....

ACAR: I said, you know go through it, what he said, "I thought we can do

half and half." I said are you [expletive] kidding me?

CW: What?

ACAR: Half and half of what? I'm giving you the goddamn business. What half and half? I said, What are you talking about? All you have to do is just submit invoices and submit time sheets. That's it. What half and half?

CW: And (UI)

ACAR: And he said (UI) then, "Well then give me \$25 an hour." I said, "No, I'm not giving you that. I'm sorry. If you don't want it just let me know. I'm just offering you. If you, if you OK with that, that's fine. If you don't, I'm going to take it my business someplace else. He said OK, OK whatever you want.

CW: What, when uh was that today?

* * * * *

ACAR: There's lot opportunities man, I mean there's a lot of money needs to be spent.

CW: Yusuf, you see, I'm glad, (UI) I really appreciate you giving me a free hand, right, but this issue I will finish it. I want you, I will, I want take out of you, out of the picture. I want to take you out of the picture.

ACAR: Well that's why I'm asking you, (UI) take these finances, take the finances, take the finances, just ride it out. Like, for example, [T] [referring to T.S.], already put the requisition I approved tonight for the, uh for the Eric's position.

CW: And how, OK, OK.

ACAR: It's done. It's ready for Friday. All you have to do is go there and defend it. That's it.

CW: Yes, you leave me for that. Yusuf, just so you know. You give me my instructions, just forget me. I want you, I will take this whole financing, I will interface with her. And I'll take care of this one.

ACAR: OK.

CW: Only, only just do the approval that's it.

ACAR: Yeah. I already, already approved the Eric's one. It's already ready for you Friday. All you have to do is go, go defend it.

CW: OK, OK, fair enough.

33. SUSHIL BANSAL, the President and CEO of AITC, knew that the CW was an employee of OCTO, was not entitled to any payments, and paid him his share of this ghost employee scheme as part of a bribery conspiracy that consisted of ACAR and BANSAL. As noted above, at the October 20, 2008 meeting between SUSHIL BANSAL, YUSUF ACAR and the CW, BANSAL told ACAR and CW to provide account numbers for family members so he can deposit the proceeds of the scheme. BANSAL said he has to show the IRS the flow of money therefore it is important that his business has an expense for the money he receives from the DC Government. BANSAL encouraged ACAR and CW not to leave a paper trail regarding the transfers. BANSAL told ACAR and CW that it is better for a company to receive the transfer if there is one you can trust. He said he does not need to know the details, just that the company has been legitimately established. In addition, as noted above ACAR directed the CW to open a business bank account to receive his share of the proceeds of the bribery scheme. The FBI opened the JAM Consulting account for the CW to use for this purpose. As noted above, CW provided the account number and wire transfer instructions to ACAR and BANSAL. The payments from AITC to JAM consulting were the proceeds of specified unlawful activity, that is, bribery, and were made to the business bank account CW set up at BANSAL's suggestion and ACAR's direction in order to conceal the fact that these were bribe payments, and to make them look like payments for work performed. Moreover, Wachovia Bank and Sun Trust Bank are financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation, and they are engaged in, and their activities affect, interstate commerce.

GHOST EMPLOYEE SCHEME #2

34. In October 2008, ACAR approached CW and proposed another scheme involving so-called "ghost employees". PO 220653-V2 had a project name of Firewall Security Engineer, and was managed by a company I will call "Company 1" for the purpose of this affidavit. ACAR asked CW to provide two people, preferably relatives, who would pose as the two employees in the scheme. ACAR told CW that he had an arrangement with Company 1 to hire the contractors directly, so Company 1 would not need to meet the individuals. Some time later, ACAR advised CW that he would supply one of the individuals himself. Thus, CW only introduced one person, Khalid Rahman, who was actually an FBI Special Agent working as an Undercover Employee. Khalid Rahman corresponded with Company 1 via electronic mail and telephone to secure a position.

35. The salary for each employee was \$117 per hour according to the Purchase Order with OCTO. Per the arrangement between Khalid Rahman and Company 1, Company 1 would pay Khalid Rahman \$100 per hour. ACAR would approve and submit completed time sheets which were false to Company 1 so Khalid Rahman and the other ghost employee would be paid by Company 1. Company 1 then submitted an invoice to the DC Government based on the fraudulent invoices. ACAR and CW agreed to split the \$100 per hour evenly, between themselves.

36. After the contract was approved, Khalid Rahman contacted T.P., a representative from Company 1. Khalid Rahman filled out the necessary paperwork, and was hired by Company 1 per the contract mentioned above. Khalid Rahman supposedly started work for OCTO on November 10, 2008. Khalid Rahman was actually an FBI undercover agent who assumed this identity for the purpose of this investigation. Khalid Rahman did no work at any time for Company 1 or for OCTO, and ACAR knew that Khalid Rahman at no time did any work for Company 1 or for OCTO.

37. Khalid Rahman was fired on December 5, 2008. His employment was terminated because ACAR wanted BANSAL'S company, AITC, to begin managing that PO. The transition from Company 1 to AITC is described more fully below under "Ghost Employee Scheme #3".

38. The CW filled out timesheets for Khalid Rahman reflecting four weeks of work, even though Rahman did not perform any work. The CW actually signed Khalid Rahman's name in the signature block on the time sheets. CW then provided the time sheets to ACAR. ACAR signed the time sheets as "OCTO Project Manager". On or about December 18, 2008, ACAR faxed the time sheets to Company 1, which was located in Virginia, from his office in Washington, D.C. Company 1 generated two invoices related to Rahman, in the amounts of \$13,160.00 and \$3,760 respectively, and submitted them to the DC government.

39. On or about February 5, 2009, Khalid Rahman received a check from Company 1 in the amount of \$14,400.00. The check was deposited into Khalid Rahman's bank account on February 9, 2009. [The payment to Khalid Rahman was delayed because Company 1 issued a stop payment on the first check issued to Rahman, due to the fact that it was not received for several weeks. The check that was deposited on February 5, 2009 was actually the replacement check issued by Company 1.]

40. On January 22, 2009, ACAR and CW met at a local restaurant. During the meeting, CW gave ACAR \$5,000 in cash and a cashier's check for \$2,200, which represented ACAR's share of the money stolen via the scheme involving Khalid Rahman. This transaction was funded with FBI funds; the money that Khalid Rahman, the UCE, received from Company 1 remains under FBI control. ACAR accepted the \$7,200 as his bribe payment for approving the falsified time sheets in violation of his official duty. The remaining portion of the \$14,400, which amounted to \$7,200, represented the CW's share of the payment for his role in the scheme.

41. According to bank records obtained from Sun Trust Bank, the \$2,200 cashier's check made out to YUSUF ACAR referenced above was negotiated on January 23, 2009 at a Sun Trust Bank branch.

THE MCAFEE SOFTWARE SCHEME

42. On or about October 31, 2008, AITC submitted a quote to OCTO for the purchase of 2,000 units of Foundstone software. "Sushil Bansal" was listed as the Account Manager for AITC. The quote was delivered to "Mr. Yusuf Acar/Mr. B.M.". The total amount of the quote was \$104,166.00.

43. On or about November 17, 2008, OCTO generated a Statement of Work for 2,000 units of McAfee Foundstone software. The software is designed to provide automated scanning and vulnerability assessment according to the Health Insurance Portability and Accountability Act (HIPAA) compliance rules.

44. On or about November 28, 2008, OCTO generated a purchase order, number 282069, to AITC for 2,000 units of Foundstone software.

45. On or about December 3, 2008, McAfee generated a quote for AITC for the purchase of 500, not 2000, units of Foundstone software. The End User price for this sale was listed as \$36,845.00.

46. On or about December 12, 2008, OCTO received the items associated with this purchase order. Documents from McAfee indicate that only 500 licenses for Foundstone software were provided to OCTO as part of this order, not 2,000 units as reflected on the OCTO purchase order, and for which AITC billed the DC government. The Procurement Automated Support System (PASS) indicates that ACAR signed for receipt of the items associated with this purchase order on December 15, 2008.

47. On December 10, 2008, YUSUF ACAR had a wide-ranging conversation with the CW over the telephone which was recorded. The subject of the McAfee deal was raised by ACAR and ACAR complained that BANSAL should not receive one-third of the proceeds of the crime for his role:

ACAR: That's what I'm saying. This guy, like, like for example, the the McAfee deal okay? He want five hundred? He put down for twenty, uh, two thousand. You know, hundreds of [expletive] thirty thousand dollars, versus twenty-five thousand.

(Both men talking)

ACAR: Gotta make good money. But [expletive] gonna take the [expletive] third of it. He didn't even do [expletive].

CW: Yus, I think we, we need to talk to him. I will, for me (UI). I don't know if he cared or not. I don't even talk, I don't even ask him anything.

ACAR: Yeah.

CW: And, really, the only reason I'm doing that, I'm just really respecting you. But, Yusef, I think we, we need to talk to him. You know for me I don't mind, even if you take, even if you take sixty percent. You know for me, personally I don't mind.

ACAR: Like, for example on the Eric deal.

CW: What in the world (UI) he has thirty thousand. What did he do for thirty thousand?

ACAR: Nothing. Eric's deal, okay? I was clear about that. I said I want fifty. You should, you should get fifty. And then whatever left behind, you should, he should get it.

CW: Exactly.

ACAR: It's hundred thirty dollar PO, hundred twenty dollar PO, he should get twenty. That's more than enough. More than [expletive] enough. We are- The risk is not equal, I'm sorry. The risk is not equal.

CW: Yusuf (UI) is not equal. I mean, you know what can happen if God, God forbid, you know, if today things, uh, things uh crash.

ACAR: Yeah.

CW: You don't even have a couple hundred dollars that you can, for your family, to survive.

ACAR: No, nothing. I mean, I will jump on the next plane, go to Turkey and disappear. That's fine.

CW: And you don't have nothing!

ACAR: Yeah. Exactly.

CW: (UI) you going to run away with what, a couple hundred? What are you going to run with?

ACAR: Yeah.

CW: I mean, Yusuf, I'm telling you we need to talk to this guy.

ACAR: Look, I mean, look.

CW: We need to talk to him.

ACAR: [CW], this is beginning, okay? This is just like uh a scratch on the surface. We have a six million dollars. Six million mother [expletive] dollars. You and I should make at least three of that.

CW: And, and, and then we have only four months to do this.

ACAR: Exactly. Exactly. So, that said, that said. I don't want to [expletive] you know, you know go halvesies with this, this [expletive]. I don't. Because he is paying the [expletive] money. I know he - Give him that. I mean he has the cash, I know he has the cash and he'll pay you right on the spot.

CW: Ah-hah.

ACAR: I mean, you know, but when we get the number yeah we'll wait for DC to pay us, but we'll get what I, we'll get what we get.

48. On January 22, 2009, a deposit of \$8,247.00 was made into the CW's account via electronic/ACH credit. The source of the deposit was listed as "Advanced Integra AA". The full name of the depositor is Advanced Integrated Technologies Corporation. The ending balance of the account was \$26,691.64. This payment was made to CW by SUSHIL BANSAL as part of the bribery conspiracy for his participation in the McAfee scheme.

49. On the same date, January 22, 2009, the CW had a conversation with SUSHIL BANSAL about why his share of the McAfee scheme was smaller than CW had expected. In relevant part, the following telephone conversation took place:

BANSAL: Yeah, I got a note from him and I did the transfer something yesterday.

CW: Oh, you already transferred something yesterday?

BANSAL: Yeah, it's in the, check the, same consulting group for that McAfee?

CW: Oh the McAfee? Okay.

BANSAL: Okay, so I did receive a note from him yesterday that you need to process shares, so I did transfer funds.

CW: How much was it?

BANSAL: It's about 8500.

CW: 8500?

BANSAL: Yes, eight thousand, about that, I don't remember, exactly, I can look it up.

CW: But this was the McAfee, right?

BANSAL: Yeah, this was McAfee.

CW: But McAfee I think I was expecting something close to, eh, ah, about, I think, ah 30,000, 30 plus.

BANSAL: Well, I, uh, don't know that we need meet and I need to explain you how, ah, because that was a big confusion between, ah, ah., the whole thing. We, I, I don't know how you can, um, I guess, ah, can I, can we talk off the line?

CW: Okay, okay, but there, I'm let's do that one please, I – are you going to come today?

BANSAL: Um, are you available?

CW: Yeah, I'm at the office actually.

BANSAL: Say again?

CW: Yeah, I'm at the office today.

BANSAL: Oh, okay. So, ah –

CW: Is there, but let me ask you, let me just (unintelligible) maybe I'm the one that's wrong. Is there anything changed, because, ah I think the total PO was 115

BANSAL: No, No! The PO was not 115, the PO was 105.

CW: 105, okay.

BANSAL: 1, ah 104.

CW: 104.

BANSAL: And we paid vendor 45,000.

CW: No the vendor was supposed to be 25. 25, because I have the other quote. You know the other two quotes, both of them, I have it. *Pause* Okay, so anyway whatever is left we divide in 3, that is what we are doing, right?

BANSAL: Um, well see (throat clearing) This is not, ah, what Yusuf, ah, I mean, ah ha, it, it didn't happen exactly the three ways.

CW: Ah.

BANSAL: Because he wanted certain things and he said no I need this much.

CW: Ah, so he's the one who said he needed that much.

BANSAL: I, I really don't want to, you know, ah, fight on this thing. You know, I don't want to hurt our understanding. But, uh, um, if, uh – so I really don't want to get myself messed up, and I don't want to mess him up, because we are all working together.

CW: No, no, we are working, I agree with you, I agree with you, and that is why I will actually just leave it. Because ah, you know I uh, it might be the problem is I never really come to him and go ask him the numbers because I trust, you know, that everybody will treat each other, you know, nicely. And you've been actually, ah all the expectations, you came through so I didn't have any reason. But the way we understand each other was we were going to have a 3-way division. And if you change that one, you tell me that he changed that one. Then I guess you are right and I have to talk to him right?

BANSAL: Well, because from, from the beginning you were not involved in this deal at all.

CW: You are right.

BANSAL: And it came, ah, you entered the situation later on when the deal was done; I was shocked to hear that, ah, when you got to know all this information, and he didn't want to share that information. But now you got to know about it and um, um, so um, and he [YUSUF ACAR] wanted a certain share.

CW: Okay. So basically, he took more share than we, you and I, right (unintelligible).

BANSAL: So it's a, I would say let it go this time, when we have the next deal we can do the 3-way.

CW: Hm. Okay, let me, let me talk to him. I, I think I like you're really, you're honest because I like that part of you so it's okay. I, I will talk to him and then probably, if we get a time we can discuss in a little more detail.

BANSAL: I'm definitely, I'm, um I'm going to be there tomorrow but if you want I can come any time today.

CW: No, it's okay, today he is not here and probably he will be in until late. And I need a for, one thing I I, I, I said, for you, you've been very honestly, the few times we met, everything was straight. And I, ah thing he's the one who keeps changing these things, going back (unintelligible), and so I will have a word with him today, or when I see him and then later on if we get a chance we can talk

BANSAL: Okay, alright.

CW: Thanks, but I appreciate it Sushil

BANSAL: Sure, sure. But I did transfer the thing, and ah, and um, so you, what ever we need, we need to be a little more transparent. And I really don't want to go hurt his feelings, or hurt your feelings, I just want to keep the word the way I have, you know they way we have divided. I, I would say, don't because this was his deal, and ah, don't insist on this one; just, let's move it forward from this one.

CW: Hm.

BANSAL: Because he was not expecting to share, divide that thing at all.

CW: Oh, he wasn't expecting to – at least what share he give it to you? Eh, what was his share?

BANSAL: Say again?

CW: How, how did he divide it?

BANSAL: Well, we, uh, divided, uh, I, I'm giving you my share; he, he didn't budge from his share.

CW: Okay. So you just give me some of your share? That's it?

BANSAL: Yes.

CW: Okay.

BANSAL: And, and again, I again for your information, I did not pay 25K even though you have the quote I pay 34,000 to McAfee. I have invoice from them.

CW: Ah, okay.

BANSAL: So it's not the profit you are expecting

CW: Okay.

BANSAL: That's what I'm saying. I mean if you, going forward you ah, can make it from the beginning because there are lots of things coming up but his thing ah, you know that, lots of things coming up.

CW: Okay.

BANSAL: In the beginning he was not expecting to divide, he had to divide then he didn't want to share that, uh funds with anybody.

CW: Okay, okay. No problem, no problem. Sorry man, I'll let it go that one, okay.

BANSAL: Okay, alright, I appreciate that. Okay

50. As SUSHIL BANSAL points out in the above conversation, CW was not part of this scheme at its inception, and BANSAL was "shocked" when "CW got to know about it".

51. On January 26, 2009, four days after the above conversation, SUSHIL BANSAL paid an unexpected visit to CW at his OCTO office. While he was in the office, SUSHIL BANSAL gave CW an envelope that contained \$3,520 in cash. SUSHIL BANSAL explained to CW that he spoke with YUSUF ACAR, and the two decided to increase CW's share of the money stolen as part of the McAfee software purchase. This payment was made to CW by SUSHIL BANSAL as a bribe for his participation in the McAfee scheme. The CW turned over the \$3,520 in cash to FBI agents who secured the cash as evidence.

GHOST EMPLOYEE SCHEME #3

52. Around the time that Khalid Rahman was fired as described above, ACAR and BANSAL discussed the transfer of management of the contract from Company 1 to AITC. ACAR and BANSAL met with the CW in the CW's office and advised him of their plan. ACAR or BANSAL then contacted T.P. at Company 1 and asked T.P. to transfer management of the contract to AITC. T.P. initially refused this request. T.P. called the CW to discuss AITC's request. The CW told T.P. that OCTO wanted AITC employees to be hired for the contract. As a result, T.P. agreed to let AITC manage the contract. Per the arrangement between AITC and Company 1, AITC would hire the contractor and pay the individual. AITC would then bill Company 1, sending them time sheet documentation as confirmation of work performed. Company 1 would then bill the DC Government.

53. According to invoices from Company 1, once Khalid Rahman was fired, two individuals continued to be paid under PO 220653-V2. Khalid Mahmood and Aaron Roane were paid by Company 1 for work in December 2008 and January 2009 under this PO. Contractors hired under this purchase order would have worked at OCTO, and the CW would have seen these employees in the performance of their duties. The CW does not know Khalid Mahmood or Aaron Roane. The CW did not see any individuals perform work under this purchase order.

54. On December 10, 2008, YUSUF ACAR had a wide-ranging conversation with the CW over the telephone which was recorded. The subject of SUSHIL BANSAL's share of the proceeds of the was discussed as follows:

ACAR: And then he's [SUSHIL BANSAL] telling me well then give me \$25 a hour. I said no, I'm not giving you that. I'm sorry. If you don't want it, just let me know. I'm just offering you. If you, if you OK with that, that's fine. If you don't, I'm gonna take my business someplace else. He said OK, OK, whatever you what

CW: What is, what, uh, was that today?

ACAR: No, no, this is happen like a couple weeks ago

CW: That [expletive], (UI) he's freaking greedy, man.

ACAR: I'm giving him 20 bucks, for this. Just doing like invoices and then the doing the payments. And I told him, I want my money every two weeks, I don't, I don't want to wait for months.

CW: Why don't you do this way. I, I get you, get you something there. What, look for the, for the one for [Company 1] is worth, is two hundred dollars, right?

ACAR: Yeah.

CW: So two hundred dollars. How bout if you said, hey you take thirty dollars and [CW] and I, just forget, (UI) will figure out how to divide it.

ACAR: Good idea. Maybe we should (UI)

CW: So, in that case, you won't divide us you know because we are just one team.

ACAR: Actually, you're right.

CW: You see what I mean?

ACAR: Yeah.

CW: And then, and then, take the fifty percent from me. Tell him it's OK, it's alright.

ACAR: Yeah.

55. On February 10, 2009, CW called SUSHIL BANSAL and the conversation was recorded, which is set forth below in relevant part:

SUSHIL BANSAL: That's Ok what I was trying to tell you that I, uh, made a mistake in the calculation of hours for the, uh, [Company 1].

CW: Okay.

SUSHIL BANSAL: Ah, the PO ended last week, early last week.

CW: Really?

SUSHIL BANSAL: Yes. So, so I had to, (unintelligible) called me, actually, and he was saying that PO ended. I say, I told him that the PO still has some hours. I, I checked my calculation so there was some error in my line.

CW: Ahh, Okay.

SUSHIL BANSAL: So, I, the PO ended and I told him that I had sent the consultants home.

CW: Ok.

SUSHIL BANSAL: So, so until the PO, uh, the new money comes in, we cannot invoice against...

CW: Ok Ok, so probably we have to renew it, huh?

SUSHIL BANSAL: Yeah, yeah.

CW: Ok, so I'll, I'll, I'll take care of that one. I will do it probably, uh, by tomorrow.

SUSHIL BANSAL: OK, whenever the PO is issued, please let me know so we can, we can start invoicing.

CW: Okay, okay, so what is going on and by the way, this (unintelligible) I was working on, because Yusuf was out last week, and this lady (unintelligible - Caroline?) was giving me a hard time so Monday I went to the PASS and tried to defend it and she had found some more strategical questions and I told, I deferred to Yusuf to answer her questions. So they have a meeting for tomorrow, which I think about 3:00 tomorrow, Wednesday, (unintelligible).

SUSHIL BANSAL: What I was thinking maybe the rate of \$145 is too high, (unintelligible) bring it down to \$115 or \$117.

CW: Oh, you think so?

SUSHIL BANSAL: Yeah. Because \$145 will be too high for file. There are not, there are a lot of people who are in \$117 - \$118 range, but there are not too many people who are in like, \$145.

CW: Okay. They should decide that one tomorrow, and then hopefully, Wednesday Caroline and (unintelligible) will sit down, and then they can proceed and then Monday, hopefully Friday I can go over there and defend it.

SUSHIL BANSAL: Okay, sure, sure.

56. In this conversation, SUSHIL BANSAL and CW are discussing a contract for one of their ghost employees. During the first part of the conversation, they appear to discuss how they can renew money for the Purchase Order associated with the contract with Company 1, referred to above as Ghost Employee Scheme #3. When a purchase order is depleted, no more money can be paid out under that purchase order until it is renewed in PASS. To renew a purchase order, an individual with the proper authority must make a presentation to one or more individuals and justify why the increase is needed. For this particular purchase order, the CW tells BANSAL he will try to get the renewal himself.

57. In the latter part of the conversation, they appear to talk about the rate they should charge for the employee. BANSAL expresses a concern that \$145 is too much,

and seems to want to charge a lower amount in the normal salary range so as to prevent people from asking questions about the contract. This actually refers to a new ghost employee scheme under the HIPAA project. The scheme involved three ghost employees and one legitimate employee. This conversation demonstrates the continuing nature of the criminal conspiracy, and the ability and motivation of the co-conspirators to steal more money from the DC government.

58. Company 1 submitted an invoice and time sheets to OCTO for hours supposedly worked by Mahmood and Roane from December 8 to December 31, 2008. The amount on the invoice was \$31,960.00. On January 5, 2009, a deposit of \$5,520.00 was made into the JAM account, which the ACAR and BANSAL believe is under the direction of the CW, via electronic/ACH credit. The source of the deposit was listed as "Advanced Integra AA". The full name of the depositor is Advanced Integrated Technologies Corporation. The amount of the deposit was approximately one-third of the amount paid for one of the suspected ghost employees. This payment was made to CW by AITC, a company owned and controlled by SUSHIL BANSAL, as a bribe for his role in the scheme in convincing Company 1 to allow AITC to take over management of the contract.

59. On February 5, 2009, a deposit of \$10,800.00 was made into the CW's account via electronic/ACH credit. The source of the deposit was listed as "Advanced Integra AA". The full name of the depositor is Advanced Integrated Technologies Corporation. The ending balance of the account for the monthly statement was \$37,491.64. This payment was made to CW by AITC, a company owned and controlled by SUSHIL BANSAL, as part of the bribery conspiracy.

H. THE HISTORICAL FLOW OF MONEY BETWEEN THE TARGET COMPANIES AND THE CO-CONSPIRATORS

60. A review of AITC bank records showed that funds are distributed by the company via direct deposit and checks to individuals and businesses. AITC issued several checks to G.A., wife of YUSUF ACAR. Between December 2006 and May 2007 G.A. received \$70,201.00 in checks from AITC.

61. AITC sent several direct deposits to IITS between August 2007 and April 2008 totaling over \$152,700.00. S.M. is a principal of IITS. S.M. has received payments via direct deposits and checks for various amounts from AITC beginning December 2006.

62. AITC sent several direct deposits totaling over \$250,000.00 to Circle Networks between May 2007 and October 2008. YUSUF ACAR and S.E., both OCTO employees, are officers of Circle Networks, as is D.L.

63. Circle Networks, Inc. has issued checks to all three officers of the company, D.L., S.E. and YUSUF ACAR in varying amounts and frequency. Checks have also been

issued to G.A. and G.R., known to be the same individual, YUSUF ACAR's wife. Checks vary in amount and frequency between April 2004 and December 2007. Notations on the memo line of the checks have included "contract, work, and distribution."

64. F.A. and S.A. received bi-weekly payments from AITC via direct deposit into an account in the name of Network Osiris from October 2005 to April 2007. Initially they were sent to F.A. and in August 2006 they began to be sent in S.A.'s name.

65. In 2006, Network Osiris issued fifteen (15) checks to G.A. totaling \$43,755.00. The memo line read "IT Consulting Services." All checks to G.A. were drawn by F.A. Four checks were issued to S.A. from October 2005 to April 2006 totaling \$55,000.00. The memo line read "IT Consulting Services."

66. ALLNET Systems began issuing checks to G.A. in May 2006. The checks vary in amount and frequency. Additionally, on at least one occasion a bank cashier's check was purchased by ALLNET in the name of G.A. using proceeds from ALLNET's account. On 10/23/2006 ALLNET issued a check for \$15,000 to "Yusuf Acar." ACAR's name was crossed out on the payee line and changed to Bank of America. S.E. is an officer of ALLNET. On 11/30/2006 S.E. purchased a \$9,000.00 cashier's check payable to G.A. using funds from his personal account.

I. YUSUF ACAR'S INTERCEPTION OF ELECTRONIC COMMUNICATIONS

67. On or about February 10, 2009, ACAR intercepted an email from the DC Office of the Inspector General (OIG).

68. On February 10, 2009, ACAR contacted CW telephonically to discuss the content of the email. During the conversation, ACAR outlined the method he used to intercept the email. A portion of the conversation is as follows:

YA: There's like, I mean, one thing that I was kind of interested, I'm worried, I'm not worried but, it was, like a bunch of names in there, right?

CW: Mm hm.

YA: And some of them contractors, and OIG didn't know that they were contractors.

CW: That shows exactly, Yusef, there's error in the system, you know. But really, on the one hand, even though, I really, the blood pressure, I was very proud of you, man, because I'm of the IG, you have, you have to be on the top monitoring what ever goes in, comes out.

YA: Dude, man, I'm on it, you don't even know how I am on it.

CW: Yeah, man.

YA: I know before [expletive] happens. I mean this kind of little stuff, I need to know, I mean this is, you need to know, we need to know.

CW: And, and, and we don't have to actually monitor only the title?

YA: Mm hm.

CW: I mean like investigation. I know you have this titles in there. But even we can be a little more extensive, man, anything that comes to OCTO, I think you should, you should open it.

YA: Anything, anything, forget about OCTO, anything going from, I have a rule set anything between OCTO IP range and, and OIG IP range, I capture.

CW: Aw, good. Oh man, ah you don't know how much I was stressed out (unintelligible).

YA: Not only capture, and then he runs another rule, that captures data. It queries certain names, my name, your name, our people's name ... some like common names and it pulls up, it gives me the actual daily report.

CW: Good, good, man. That's, that's, that's awesome, man.

YA: So, so when I saw it I was like, what the [expletive], what's going on [laughter]?

CW: I know. I know.

YA: Are we going to jail? (Laughter)

69. During the conversation ACAR explains to the CW the rules that he and possibly one other individual have set on the network to alert them to specific electronic communications in DC agencies outside of OCTO. ACAR's final comment, "Are we going to jail?" demonstrates that he is aware that his actions are illegal.

J. SUMMARY OF PROBABLE CAUSE FOR THE ARREST

70. Based on the information outlined herein, your Affiant respectfully submits that there is probable cause to believe that YUSUF ACAR and others devised and executed a bribery scheme and a scheme to defraud in violation of Title 18, United States Code (U.S.C.), Sections 201 and 371 (Conspiracy to Commit Bribery), Sections 1343 and

1346 (Honest Services Wire Fraud), Section 208 (Conflict of Interest), and Section 1956 (Conspiracy to Commit Money Laundering). There is probable cause to believe that ACAR, BANSAL, and others conspired to devise and execute the scheme to bribe and defraud, and to commit money laundering, and committed at least one overt act in furtherance of those conspiracies in violation of Title 18 U.S.C. Section 371 (Conspiracy).

K. CONCLUSION

71. By this affidavit and application, I am requesting the Court issue an Arrest Warrant for YUSUF ERKAN ACAR, date of birth: xxxxxxxx 1968; Social Security Account Number xxx-xx-5869.

FURTHER YOUR AFFIANT SAYETH NOT.

Andrew Sekela
Special Agent
Federal Bureau of Investigation

Sworn and subscribed to this _____ day of March 2009.

United States Magistrate Judge
District of Columbia